

Japanese Customs Vital For Success of the American Businessman

An Honors Thesis (HONRS 499)

by

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Abstract

It is a well known fact that the United States and Japan are quite dependent on one another in today's business world. In order to maintain a successful relationship, each country must have a sound knowledge of the other country's background. The information presented here identifies the major Japanese customs that will help the American businessman in future interactions with the Japanese. An explanation for which the customs are based on along with examples of the customs are presented. These customs fall into three main categories which are business customs, social customs, and cultural customs. Furthermore, the information identifies how the three types of customs are intertwined and how an understanding of all three types is essential for success. Finally, the present status and improvements on awareness to this issue are presented.

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"Konnichiwa. O-genki desu ka. Watashi wa Akil desu. Anata no namae wa nan desu ka."

Does this monologue sound confusing? In today's business world, it is a quite commonplace introduction. The language is Japanese and the translation reads: "Hello. How are you? My name is Akil. What is your name?" The United States and Japan have become very dependent on one another in many aspects of business. The United States imports a large portion of its goods from Japan and the United States' exports to Japan are second only to Canada. Furthermore, more than 1045 Japanese companies currently operate in the United States and produce total sales of \$185 billion (Kato vii). All of this information leads to the fact that a deep understanding of each country's customs is essential for establishing and maintaining a solid relationship. Japan has taken the lead role by educating 25,000 of its students in the United States, whereas, only 1000 American students currently study in Japan (Kato ix). The United States must make an equal effort in learning about Japan if it expects to remain competitive in the business world. This means that the American businessman needs to understand the business customs, social customs, and cultural customs of Japanese society. Performing this task will allow the two countries to work together more efficiently and to achieve greater standards in years to come.

Business customs are those customs which take place throughout the course of the work day and involve the dealings of actual business matters. Business customs of Japan which need to be understood by American businessmen include specific business relationships of Japanese, the categories of Japanese businessmen, the formal greeting towards Japanese counterparts, and the manner in which negotiations take place. Understanding these business customs gives the American businessman an idea of what to expect, how the expectations should be dealt with, and how to follow through on the expectations during a meeting. Valuable time and energy can be saved by simple knowledge of business customs.

Japanese businesses are structured in a manner which stresses harmony and unity within a company rather than individual achievements. The company has a common goal and individuals must make whatever sacrifices are necessary in order to reach that goal. This goal includes working longer hours and following the "honne" and "tatamae" system. "Honne" refers to essence and symbolizes the real truth. "Tatamae" refers to form and symbolizes the public truth. There is a specific time and place when each type of communication strategy is used. Japanese do not like to criticize or be criticized and do not like to respond in straightforward negative manners. Therefore, "tatamae" will be used at certain times in order to save humility and embarrassment. "Honne" can then be brought out later during isolated events such as after a meeting and during dinner. Another aspect of the "honne" and "tatamae" system deals with "saving face." In situations where a company knows that it is wrong or at fault, a subordinate will stand up and accept the blame rather than allowing it to fall upon a higher company official. By doing this, the company prevents itself from looking as bad as it would if the president admitted the wrongdoing. The subordinate, in return, will be rewarded for performing such a task. In contrast, Americans are taught to accept credit or blame for one's own actions. The Japanese feel this "honne-tatamae" system is essential for companies to operate efficiently.

An additional relationship which is fundamental of the Japanese business structure is known as "amae" which literally means "dependence." Japanese businesses are set up in a vertical manner in which employees gain more responsibility and respect with time and maturity. Employees start out at the "dohai" or equal level, move up to the "kohai" or junior level, and hope to finish at the "sempai" or senior level. The twist to this structure is that all employees are intertwined in an emotionally dependent manner. "I like to think that I get right in with the employees, link arms with them in a kind of scrimmage, and spearhead the rush forward," states Fusaro Sekiguchi, president of Meitec

Corporation. "Because they've trusted me, they've followed me" (Kusunok 74). Employees are very open with one another about all aspects of life, and the work environment is often considered to be a large family. Employees on the same level may behave as brothers, whereas, "senpai" and "kohai" may behave as father and son. Since Americans are taught to keep emotions aside from business, trying to understand these forms of behavior which are present in Japanese businesses is often a primary obstacle to overcome for American businessmen. Knowledge of these basic relationships beforehand will allow for much more productive meetings and will save valuable time.

When doing business with the Japanese, it is recommended to be first introduced to the other party before partaking in the actual business dealings. Unlike in America where one feels free to call a prospective client directly, Japanese stress respect, and without a formal introduction trust is difficult to gain. An introducer, also known as "shokai-sha," may be in the form of a close friend, a bank representative, a superior officer, or another business client. Connections are vital in the business world and once the two parties have been introduced, the actual business dealings may begin.

Today's Japanese businessmen fit into two primary groups with each group requiring a separate form of introduction. The first group is composed of those men who are approximately fifty years of age and older. These men are highly conservative and believe strongly in the formal Japanese customs. The second group contains the younger generation which tends to be more widely cultured and is usually quite fluent in English. Practicing the formal customs is important to this group as well. It may be beneficial to identify the differences in the groups and treat each group in the proper manner. At times, a translator may be required. When needed, a translator should be obtained from a reputable agency. The game plan for a presentation should be well rehearsed with the translator before the meeting.

Upon arrival to a business meeting with the Japanese, the proper greetings must be exchanged before the meeting can start. A simple handshake and exchange of names, as Americans are accustomed to, will not suffice. The proper greeting includes addressing the other party, bowing in respect, and exchanging business cards. The proper address of a Japanese client involves pronouncing the last name followed by "-san." A first name basis is not commonplace due to the fact that great family respect lies in the last name. First names should only be used if asked to do so. One should never refer to himself or herself with the "-san" suffix. This implies that one is promoting self-respect which contradicts with the humbleness that the Japanese promote. Mister may precede the last name; however, if it does, "-san" should not proceed it. Only one form of address should be used. When addressing young children, the suffix "-chan" should be used.

The second aspect of the greeting is the traditional bow. Men and women each have a separate ritual to follow when performing the bow. The bow should be practiced several times before a meeting so that a mockery is not made of oneself or one's company. As a general rule, the deeper the bow is made and the longer the bow is held signifies the greater amount of respect being given towards the other party. Therefore, it is greatly important for one to know the seniority level of the person which is being addressed. A company president can produce great humility if he or she were to bow deeper than an opposing branch manager did. Humility can also result for a company if a subordinate does not bow deeper than an opposing president does. On occasions in which the seniority level of the opposing party is not known, an equal bow will suffice. The formal bow is performed at an angle of thirty degrees. Men should keep their hands on the thighs with the fingers pointed towards the knees. Women should keep their hands folded before them. The time frame for the entire process should be about three seconds. The informal bow should last only one or two seconds and should be performed at an angle of fifteen degrees. Men should keep their hands to the

side and women should keep their hands in front of them as before. In recent years, the bow either preceded or proceeded by the handshake has gained popularity.

The final part of the greeting deals with the exchanging of business cards which are more commonly known as "meishi." "Meishi" contain far more information than a name and a phone number. "Meishi" contains the seniority level of an individual and represents the respect a company holds. "Meishi" should be bilingual with English on one side and Japanese on the other. An American should present the "meishi" with the Japanese side facing to provide quick understanding for the opposing party. "Meishi" should be offered and received with both hands signifying their importance. Once received, "meishi" should be briefly examined and then placed in an appropriate holder. It is interesting to note that approximately 12 million "meishi" are exchanged daily amounting to 4.4 billion annually (Kato 63). After these components of the greeting have been completed, the meeting may get started.

Americans are often surprised with the number of individuals the Japanese bring into a meeting. The Japanese come well equipped with individuals ranging from supervisors to top executives. The significance of bringing a large group of individuals to a meeting is to show that everyone in the company is responsible for the success or failure of the company, not just a few selected members. These individuals work strongly as a team with the middle management performing the majority of the negotiating. Top executives tend to maintain their silence unless they need to be heard. Silence by the whole Japanese side should not be interpreted in a negative manner. Japanese practice silence for sorting through complex thoughts and reaching conclusions. Therefore, patience is definitely a virtue when dealing with the Japanese. Japanese generally do not favor fast, "get-to-the-point" presentations. They would much rather take their time, maybe even talk about matters other than business, before reaching a decision. Another feature which Americans are not

comfortable with is the lack of eye contact in Japanese counterparts. Japanese believe that strong eye contact is a sign of aggressiveness and is reserved for only high ranking officials. Lawyers are also perceived as a sign of aggressiveness and their presence at meetings may represent a lack of trust (Rowland 30).

Aside from the actual interactions during a business meeting, there are far more components involved in constructing a successful business relationship. The social aspects of business can often times be either the making point or the breaking point for success. The social customs involved in Japanese business are those customs which may take place within or outside of the work environment; however, they do not directly involve actual business matters. These social customs include specific social relationships, benefits of Japanese companies, the bi-annual giving of gifts, and evening entertainment. Understanding these social customs can help provide an inside track against the competition by allowing one to establish a closer relationship with his or her Japanese counterpart.

Japanese are taught as children to think in terms of the society and, if a thought is in an individual's heart, it will naturally be transmitted to another's heart (MacIntyre 489). This characteristic is carried out in the business world with the sharing of authority. In contrast to America, individual roles are not clearly defined and the strong compensate for the weak. Those deemed to be executives in the future naturally weed themselves out from the group.

Japanese have other trains of thought which are built in throughout one's life. The first is labeled "omoiyari." "Omoiyari" involves showing the utmost respect and consideration for the opposing business party. Anticipating one's request before the request is made is the essence of "omoiyari." An example of this would be having a car waiting for an individual at the airport. Attached with "omoiyari" is the following of "enryo." "Enryo" is yet another representation of the humbleness of the Japanese. When the Japanese are presented with such hospitality, their initial

response is to decline and wait for a second invitation before accepting. This helps to separate actual generosity from mere sincerity.

When it comes to dealing with hospitality after it has been accepted, two methods of returning the favor have to be considered in extreme cases. "Giri" is an obligation performed due to the status of an individual. "Giri" is expected by such high ranking officials and is dealt with accordingly. Related to giri is "on." "On" is an obligation which can never be repaid. However many times one may try to retribute an individual, it is understood that the efforts can never amount up. Understanding these social relationships will allow the American businessman to see why the Japanese behave in the manner they do.

These social relationships described above help to support the inner strength which Japanese businesses are built upon. Company loyalty in Japan may be unmatched by any other part of the world (Smith 11). Though entry level salaries are lower than those of Americans, the lifetime employment companies offer provides security and compensates for the monetary difference. Japanese work on a system of scheduled salary increases and promotions so that their ending salaries are greater than those of Americans. Economist Alan Blinder feels that "retirement comes too early" (21) for the Japanese. Most Japanese probably disagree. Through the many extracurricular activities which companies offer, ranging from sports to flower arranging, relationships among individuals carry on far after the business relationship is over. This inner strength of Japanese businesses has also helped produce unemployment rates below three percent in recent years (Sorrentino 36).

Twice a year, the inner strength of Japanese businesses is reinforced by the gift giving custom. This custom occurs first during mid-summer ("O-Chugen") and second during the month of December ("O-Seibo"). At these occasions, senior executives give gifts as well as bonuses to those under them and employees on the same level of seniority exchange gifts within themselves. These

gift giving times of the year are institutionalized customs and failure to observe them may bring disgrace upon oneself. Americans should present their Japanese counterparts with American novelties such as meats, cheeses, and whiskeys, if possible. It is important for the gifts to be wrapped properly in the Japanese manner.

After the business day has been completed, the Japanese are usually not yet ready to go home. The time has now arrived for drinking and dining. "Japan spends more money on entertainment than it does on defense or education..." (Rowland 65). Tokyo alone is filled with thousands of clubs of all varieties. A great number of coffee shops known as "kissaten," which also provide entertainment, can be located quite easily. These gathering places offer a comfortable and relaxing atmosphere for businessmen. Personal hostesses are also available for companionship during one's visit.

Japanese encourage their fellow colleagues to drink and to drink heavily. "Sake," which is basically a rice wine, is a very popular drink. Beer and whiskey are also quite common. An implied rule is to pour another's drink for him or her and allow another to pour one's own drink. The cup should be lifted when being poured into and an empty cup signifies that one has had enough to drink. Drinking is seen as a time to relax so business matters should not be discussed. A popular activity during drinking sessions is "karaoke" and one should not be afraid to participate with his counterparts. Any regretful action performed during one's drunkenness is automatically forgotten the next day.

If one is being treated to a Japanese restaurant, it is beneficial to have an idea of what will be expected. After a damp cloth is presented for cleansing the hands, the food will arrive in a number of small dishes. Rice is the main staple and an empty rice bowl signifies that one is finished with the meal. An effort should be made to try each type of food served and to use the chopsticks for consuming purposes. One end of the chopsticks is for consumption and the other end is for obtaining

food from a common bowl. Chopsticks should not be placed straight up and down as this means an offering to the deceased is being made. Slurping one's food is considered appropriate and is a sign of pleasure and appreciation. At the completion of a meal, green tea is served. Payment for the meal should not take place in front of guests and is usually pre-arranged. In Japan, tipping is not proper as it is viewed as an offer to work harder next time. Personal checks are not accepted, however, traveler's checks and credit cards readily are.

One should be able to see by now that the knowledge of the social customs of Japan can be just as important to a business relationship as knowing the business customs. There is still one more area which needs to be covered for added success in a business relationship. This area is knowledge of the cultural customs of Japan. The cultural customs are those customs which deal with the way of life present in Japan and do not pertain to business matters. These cultural customs include behavior of opposite sexes, the role of women, and the quite popular tea ceremony. Having a grasp of these cultural customs can take away the initial shock for Americans and allow for a quicker adaptation to the Japanese environment.

Japan is a very homogeneous culture. The majority of its population is of the same economic, religious, and racial status. More than eighty percent of the population completes high school (Kato 12). These features help in contributing to the great loyalty and pride which the citizens of Japan have. This in turn leads to the very low crime rate which the country maintains.

A quite obvious observation of the Japanese culture which is usually made by Americans is the lack of physical contact in Japan. As noted earlier, strong eye contact is reserved for top executives. In the same sense, Japanese prefer greater distances between individuals. Moving in too close to another person can be a sign of aggression or even sexual advancement if the other person is a woman. It is not proper for individuals and couples to hug or kiss one another in public. On the

other hand, individuals of the same sex may be seen holding arms or hands in public which should not be perceived as homosexuality. It is just a mere display of their friendship.

As much of a leader Japan is in today's business world, there is one aspect of their culture which may be viewed as discriminatory. This is the role of women in business. It is well known that men are considered superior in Japan. Anti-discriminatory laws have been issued to erase this practice in the work place; however, the enforcement of these laws has not had the greatest success. Women are still treated with less respect and do not hold as high of positions as men do. Therefore, American women dealing with the Japanese should make their status clear right from the start. A subliminal way of doing this is by wearing big-labeled clothes and top notch accessories. Japanese tend to associate seniority with fancy apparel.

One of the more popular symbols of Japanese culture is the tea ceremony. It is inevitable that during one's visit to Japan, one will be invited to attend a tea ceremony. Such an invitation is quite an honor, and to be invited to a tea ceremony at the home of the host is an even greater honor.

When entering a Japanese home, one should remove his or her shoes and replace them with slippers, if provided. A gift should be presented to the hosts indicating one's appreciation for the invitation. Often times, there is a separate room in which the tea ceremony will take place. This separate room may or may not have a waiting room and a connecting garden path. Having arrived in the assigned room, individuals will be properly seated according to stature. As a guest, one should simply observe the actions of others, follow in a similar manner, and try not to get in the way of things. The purpose of the tea ceremony is to produce harmony among individuals and nature. Having been seated, a meal will be provided after which the tea ceremony will take place.

Thick tea will be offered first in a common bowl which everyone will drink out of. Many times these bowls are nicely decorated and are valuable family possessions. Not handling the bowl

properly can bring about great humility upon oneself. One should receive the bowl with both hands, turn the bowl clockwise twice with the design faced away, take three and one-half sips of tea, wipe the bowl, turn the bowl with design in front, and pass the bowl to the next person. At ceremony's end, a thin tea is usually drank in individual bowls. Its purpose is to provide a relaxing atmosphere.

It should be evident through the descriptions of the cultural, social, and business customs of Japan that the three types of customs go hand and hand with one another. A sound knowledge of all three types of customs is essential for providing a strong foundation for future business relationships and is vital for its success. It has been stated that at the present time, "We have different views of the future. I suggest that the United States' conception of the future is stuck in the year 1960, while Japan's is some date in the next century" (Phillips 20). In some regards, this is a quite accurate statement. Efforts are being made, however, to provide greater education and awareness towards this issue. Japanese is being taught in more and more schools and colleges every day. Japanese-American societies and organizations have been formed to integrate the knowledge each group contains. Even recent films such as Mr. Baseball and Rising Sun have taken aim at addressing the need for understanding Japanese customs.

As attention increases towards the Japanese customs, so will understanding and the United States and Japan will become even better business partners for tomorrow. It should be a top goal of companies to stress the importance of this issue and realize that if proper measurements are not taken, it will not take a long time before the potential benefits which the United States and Japan can gain from one another will rapidly decline. On the bright side, however, is the foreseeability that the two countries will not allow for a decline in their relationship, and with continued awareness the relationship will only grow and prosper.

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